2006–2007

Saskatchewan

Provincial Budget

Performance Plan

Saskatchewan Property Management

2007-00014

Minister's Message

As the Minister of Property Management, it is my pleasure to present the Performance Plan for 2006-07.

This report identifies strategies and our action plan for 2006-07 to support the achievement of our long-term goals of cost-effective, value-added service to government, sustainable property infrastructure, and partnerships that benefit the government and communities of Saskatchewan.

As the province enters its second century, rising construction costs challenge the Department in its bid to maintain aging buildings and infrastructure, and complete its capital projects within resource limits. Saskatchewan Property Management will continue to focus its capital upgrading efforts on priority facilities, and continue to plan to address long-term needs for Justice, Corrections and Public Safety, and SIAST in facilities across the province.

Property Management will play a lead role in the sustainable development of property infrastructure that reduces the impact of government operations on the environment. This work will support the Green Strategy of the Government of Saskatchewan by lowering greenhouse gas emissions through reduced fossil fuel consumption and using wind power, as well as by diverting waste from landfills into re-use and recycling programs.

The plan includes strategies to increase the economic benefit within Saskatchewan from the purchase of goods and services to meet the needs of government.

I am confident that the Department can achieve success through the initiatives and actions identified in this plan. I look forward to that success and to providing a report on our progress towards these goals and objectives in the Annual Report, in July 2007.

Eldon Lautermilch
Minister of Property Management

Who We Are

Saskatchewan Property Management (SPM) provides property management and other support services to government departments, Crown corporations, boards, agencies and commissions. By providing centralized accommodation and support services, SPM achieves efficiencies and economies of scale while providing centralized expertise that allows clients to focus on their own areas of expertise. The mandate of the Department is to support public agency program delivery by providing best value for client requirements in the areas of accommodation, property management, furnishings and supplies, transportation, purchasing, risk management, records management, telecommunications and mail services.

Saskatchewan Property Management has a staff complement of 828.5 full-time equivalent employees. SPM recovers the costs of most of its departmental operations by charging clients for centralized accommodation, project management, transportation, and other government support services.

In carrying out its mandate, SPM provides the following services:

ACCOMMODATION SERVICES

SPM has responsibility for space in 814 buildings located in 169 communities, as of March 31, 2005. These buildings cover an area of approximately one million square metres. Of these, 545 are owned by the government and have an estimated replacement value of $1.6 billion, while space in 269 buildings is leased. The space accommodates primarily programs of government departments and agencies.

SPM works with government agencies to respond to changes in accommodation needs reflecting changes in government programs or changes to the manner in which the programs are delivered. SPM provides accommodation planning, construction project management, building operation and maintenance, leasing, property purchase and disposal.

TRANSPORTATION SERVICES

The Central Vehicle Agency (CVA) provides vehicles and fleet management services to a total of 380 different client groups, including government departments, some Crown corporations, and other publicly funded organizations. In 2005, the CVA fleet included 4,700 vehicles.

Air Ambulance Services provides aircraft transportation for emergency air evacuation of Saskatchewan residents under a contract with the Department of Health. SPM also provides air transportation for elected and senior government officials using its fleet of government-owned and leased aircraft, and through charters.

PURCHASING

SPM provides centralized procurement service for government departments and disposes of goods when they are no longer needed. Over $100 million in purchasing activity, including service contracts, purchase orders, standing offers and delegations, is conducted annually.

SPM co-ordinates the disposal of government surplus through public sales of vehicles and larger equipment, and through the Community Donations Program, that provides community-based non-profit organizations with free access to surplus government office furniture and equipment.

RISK MANAGEMENT AND SECURITY

The Department helps clients identify and manage corporate risks by providing services in: insurance acquisition, investigative services, environmental health and safety, security consulting and security systems. SPM provides guard force and card access systems, as well as photo identification services for government employees. In addition, SPM provides building check security services including responding to alarm and trouble calls.

RECORDS MANAGEMENT

SPM provides a secure central storage facility for storing government records until they are no longer useful and their disposal is authorized through Saskatchewan Archives or the appropriate authority. As of March 31, 2005, 122,632 boxes of government files were in storage, along with blueprints and other records. These files are accessible to clients and SPM provides quick turnaround of requests for retrieval of records in storage.

TELECOMMUNICATIONS

SPM co-ordinates and provides the strategic direction for telecommunication services for government. These services include: CommunityNet, telephone services including Voice over Internet Protocol (VoIP), Government e-mail System (GEMS), SaskTel directory Blue Pages, web-based government directory, web-hosting services and data service offerings. SPM acquires or provides these services on behalf of government departments and certain agencies.

MAIL SERVICES

SPM provides mail handling services for government departments, most government boards, commissions, corporations and authorized public agencies to achieve economies of scale through centralization of mail handling resources. Inter-office mail using re-usable envelopes is sorted and delivered between government offices. Postal mail is handled through 14 provincial centres and includes: metering of outgoing mail, addressing and stuffing mail, and obtaining volume discounts for parcel, priority courier and bulk mailings through Canada Post as well as the pick-up, sorting, and delivery of some postal mail.

OFFICE FURNISHINGS AND SUPPLIES

SPM provides office furnishings to government departments and public agencies. The service includes consultation, delivery, and installation of furniture. SPM also refurbishes furniture to extend its useful life.

The SPM stockroom provides approximately 1,000 commonly used office, paper, and janitorial products to government departments and public agencies. SPM purchases office and janitorial supplies in bulk, and resells these in smaller quantities to government clients in order to achieve savings for government.

Plan at a Glance

This is the second annual performance plan for the Department of Property Management. It reflects a continuation of the direction set in the performance plan for 2005-06.

The performance plan will continue to evolve as Government priorities and our operating environment change over time. The plan will progress as processes mature and as experience is gained by those involved in strategic planning, performance management, and public reporting.

The goals and objectives cover a multi-year period that will take time and focused effort to accomplish. This performance plan outlines the key actions SPM plans to implement in the 2006-07 fiscal year to progress towards those goals and objectives.

The plan is a confirmation of the current direction and the key strategic issues affecting the state of government's infrastructure, the effective and efficient delivery of services, and the desire to reduce unit costs.

The Department will report on actual compared to planned progress at year end, in the 2006-07 Annual Report to be released in July, 2007.

VISION

To provide the best property management and support services for best value to public agencies in Saskatchewan.

GOAL 1

Effective and value-added service

OBJECTIVE 1 – *Cost effective services for clients*

Performance Measures

- Price comparisons for SPM office space compared to the private sector
- Central Vehicle Agency pool price compared to Public Service Commission private vehicle usage rate
- Central Vehicle Agency pool price compared to market price

OBJECTIVE 2 – *Enhanced client service delivery*

Performance Measure

- Proportion of clients responding that they are satisfied with services received for government support services, accommodation services, transportation services, and purchasing services

GOAL 2

Sustainable property infrastructure

OBJECTIVE 1 – *Appropriate facilities and equipment for clients*

Performance Measures

- Proportion of facilities meeting long-term client program needs
- Average annual distance traveled per government vehicle
- Vacancy rate for office space in Regina and Saskatoon

OBJECTIVE 2 – *Affordable and sustainable infrastructure*

Performance Measures

- Average condition of government buildings (Facility Condition Index)
- Average age of vehicles
- Average mileage on vehicles

OBJECTIVE 3 – *Reduce the environmental impact of government operations*

Performance Measure

- Energy conservation in key public buildings

GOAL 3

Partnerships that benefit government and communities

***OBJECTIVE 1** – Facilitate economic development*

Performance Measure

- Goods and information technology services sourced in Saskatchewan through SPM's Purchasing Branch

***OBJECTIVE 2** – Constructive relationships with industry*

Performance Measure

- Level of industry satisfaction when dealing with SPM's Purchasing Branch

2006-07 Financial Overview

In providing accommodation and centralized support services to government departments and public agencies, SPM receives a portion of its funding directly from the General Revenue Fund. Most of the Department's revenue is generated by charging departments and public agencies through cost-recovery charges for specific services such as accommodation space, vehicles, mail services, office supplies, etc. Charging clients the full cost of services promotes good management since departments assume the financial consequences of their program decisions. It also promotes accountability by providing the public with a more complete picture of department program expenses.

The distribution of Department spending and recoveries from internal government clients and external clients (non-General Revenue Fund) is provided below.

2006-07 ESTIMATES	*(in thousands of dollars)*
Central Management and Services	$ 8,933
- Allocated to services	(8,933)
	0
Accommodation Services	159,153
- Recoveries from clients	(150,975)
	8,178
Project Management	27,334
- Allocated to departments	(27,334)
	0
Purchasing	1,764
Transportation Services	37,518
- Recoveries from clients	(37,518)
	0
Government Support Services	29,021
- Recoveries from clients	(29,021)
	0
Major Capital Assets	24,324
Total Appropriation	$ 34,266
Capital Acquisitions	(24,324)
Amortization	0
Total Expenses	$ 9,942
Revenue	$ 0
FTE Staff Complement	828.5

Of the estimated $244.8 million to be recovered from clients, $180.3 million is from internal government clients and $64.5 million is from external clients. Central Management and Services expenses amounting to $8.9 million are allocated to individual service areas to ensure full cost-recovery is reflected in the prices charged for SPM services.

Saskatchewan Property Management typically prices its services on the basis of full cost-recovery. Following typical industry practices, administrative expenses of the Department (overhead costs) are distributed to service areas. Amortization expenses are budgeted and recovered as part of SPM's charges for clients.

The Estimates show both operating costs and recoveries from clients for services provided, as well as capital funding for vehicles, buildings and other capital investments. Funding for construction of a new Provincial Laboratory and the Regina Correctional Facility is provided for in the Department of Health and Corrections and Public Safety Estimates. SPM will report the work in progress on these projects under the project management sub-vote.

Trends and Issues

From its environmental scan, the Department has identified the following key strategic issues as priorities:

GREENING AGENDA

Wise use of non-renewable resources, and reducing the environmental impact of government activities continue to increase in priority. SPM is expected to provide leadership in alternative fuel and energy efficient vehicles and buildings, recycling and increased use of materials made from recycled material, use of wind power, and diversion of surplus and waste products from landfills.

Reducing the amount of natural gas and electricity used to heat and light buildings saves money and also reduces harmful emissions. By installing more efficient heating, cooling and lighting systems and by incorporating energy efficiency into the design of buildings prior to construction, the overall amount of energy usage can be reduced.

The Department has taken a number of steps to improve the efficiency of energy use and to reduce overall consumption of energy, including new building construction standards and energy performance retrofits. SPM is undertaking construction projects that will conform to new international standards for energy efficiency and low generation of construction waste.

As the availability and cost of alternative fuel vehicles that meet program needs improves, adding these types of vehicles to the government fleet will help reduce fuel consumption and greenhouse gas emissions.

AGING INFRASTRUCTURE

The value and condition of buildings change over time due to physical deterioration. All buildings require ongoing repair and maintenance to the exterior, mechanical, heating, cooling and water systems in order to keep them in good condition. In general, the cost of maintenance rises as the infrastructure ages. SPM has a process in place to regularly assess the condition of each facility, and a capital planning process that prioritizes projects within available funding. Once a building is upgraded, client lease costs are structured so that the building can be maintained at current standards.

Increased investment in SPM's capital renewal program has arrested the growth in deferred maintenance within the government's aging building infrastructure. However, building construction costs in Saskatchewan have risen sharply – SPM has experienced price increases of 25 per cent over the previous year. This increase will put significant pressure on SPM's resources to be able to maintain its existing facilities without losing ground on their condition, and increasing the magnitude of deferred maintenance.

The age of the current fleet of aircraft is approaching the point where ongoing maintenance responsibility makes long term ownership of some older aircraft uneconomical when compared to replacement cost. SPM is addressing this issue with a strategy to continue to meet the Government's air transportation requirements.

RISK AND LIABILITY

There is an increasing expectation that government assets will be safeguarded against new and emerging threats. SPM has demonstrated long term economic benefits in managing risks and mitigating their consequences through a balanced strategy of structured risk management and shared risk through insurance.

This has potential benefits elsewhere in government through the implementation of a more effective risk management strategy. The Department will work with other central government agencies in evaluating a government-wide risk management strategy.

ACCESSIBILITY

People with physical disabilities can encounter obstacles when they access government buildings that were built prior to modern standards for accessibility. Providing better access to existing buildings often requires significant retrofitting. Accessibility requirements are incorporated into new building construction and major building upgrading at the planning stage. SPM is planning to improve accessibility in eight government buildings in 2006-07.

EMERGING TECHNOLOGY

Voice over Internet Protocol (VoIP) is an emerging telecommunications technology that is expected to be adopted by most governments and corporations within the next five years. VoIP allows the use of a single network for both data and voice communications. Implementing VoIP might have the potential to create savings for government for its telecommunications when compared to traditional telephone systems. SPM in conjunction with the Information Technology Office is working with SaskTel on a pilot evaluation of VoIP in a large department to evaluate the reliability, required technical capability, applicability for government business, and the impact of this technology on government operations. SPM expects the evaluation to be complete early in 2006-07.

STRENGTHENING THE ECONOMY

The Government purchases a wide range of goods and services in order to provide programs and services throughout the province. Many of these goods and services are acquired through SPM's centralized procurement process. A strong and healthy private sector helps to ensure that Saskatchewan businesses are better able to sell their goods and services to Government. However, suppliers also need to know about government requirements and government procurement processes in order to bid on government contracts. SPM plans to increase opportunities for clients and suppliers to provide feedback on procurement processes and their outcomes.

SPM is responding to supplier concerns about the cost and complexity of government procurement by making it easier and less expensive to do business with the Government through the SaskTenders website (www.sasktenders.ca) and by hosting Purchasers' Showcase events.

SPM recognizes the importance of increased participation in the economy for Aboriginal persons and businesses. The Department will work with Aboriginal communities to identify ways to overcome barriers to their participation in the supply of goods and services to the Government of Saskatchewan.

Changes from 2005-06 Performance Plan

There are no changes to the Values, Vision, Mandate, and Goals.

Most objectives remain unchanged; however, a new objective has been added under Goal 2 – Sustainable Property Infrastructure. The new objective, to reduce the environmental impact of government operations, has been established to identify SPM's leadership role in sustainable development and wise use of non-renewable and other natural resources. A new performance measure has been added for this new objective. The performance measure is the percentage reduction in energy consumption in key public buildings following upgrading and the implementation of energy conservation initiatives.

Key actions for 2006-07 reflect initiatives that the Department plans to implement to respond to current trends and issues and to continue to pursue its stated goals.

Goals, Objectives, Actions and Measures

The following section provides details about where SPM is headed, what we will do to achieve our objectives through key actions for the upcoming year, and how the public will know if we are successful in achieving these objectives through defined performance measures.

A number of factors impact the Department's expenses and its performance results. The cost of goods sold, construction, labour and energy costs are key cost drivers in providing accommodation and support services. The performance plan and budget are based on forecast demand and cost of providing services. Unforeseen events could necessitate changing priorities, key actions and performance measures such as the price comparisons to the private sector for office space and vehicles.

GOAL 1

Effective and value-added service

***OBJECTIVE 1** – Cost effective services for clients*

As a central service provider, the Department continually identifies opportunities to make its services more effective and efficient for executive government. In doing so, it is imperative that SPM look at maintaining positive relationships with clients, developing technology as an essential support tool, capturing and passing through savings, managing the inherent risks involved, and examining efficiency and effectiveness within the various business units.

SPM is continuing to evaluate its services and service delivery models to determine if the organization is providing the right services, at an appropriate price.

The performance measures reflect the cost effectiveness for the two most significant service areas provided by SPM to clients: accommodation services and vehicles.

Key Actions for 2006-07

- Evaluate potential changes to locations on SPM inter-office mail network to ensure cost-effective service delivery for all users of government inter-office mail.
- Investigate opportunities to enhance paper recycling program to provide greater return to government by separating various types of paper for recycling.
- Implement improvements in inventory management in several business units following the recommendations made in the inventory optimization review completed in 2005-06.

What are we measuring?	Where are we starting from?
Price comparisons for SPM office space compared to the private sector	4.3% below private sector market price *[September 2005]*

SPM owns and leases space in buildings on behalf of Government. SPM in turn leases this space to individual government departments for their needs. The performance measure is intended to show the cost-effectiveness of centralized accommodation services provided to government departments and agencies by comparing the gross rental rate for office space in Regina and Saskatoon to the private sector.

These two areas are used for the baseline since they represent 68 per cent of SPM's total office building space, and comparative market information is readily available for office space. Program space (e.g., space designed for a specific function such as correctional facilities, courthouses) is excluded in this measure as the private industry does not typically own or manage program space that could be used for a comparison.

SPM's level of influence over this measure is high. SPM can influence the rates for office space by how and when it acquires accommodation, through quality specifications, timing of negotiations and Requests for Proposals, and build, buy, lease analysis/decisions.

What are we measuring?

CVA pool price compared to Public Service Commission (PSC) private vehicle usage rate

Where are we starting from?

The CVA price ($0.267/km) is 31.3% below the Public Service Commission rate ($0.3888/km)
[October 2005]

SPM acquires vehicles and rents them to government departments and other public agencies. By acquiring vehicles in large quantities and operating a central fleet of vehicles, SPM can pass through savings to clients. A pool of vehicles located throughout the province is available for short-term use. CVA charges a per-kilometre price to cover all fixed and operating costs of the vehicle. The CVA rate is for a mid-sized vehicle with a minimum charge for 100 kilometres per day. An alternative is to pay employees the private vehicle usage rate set by the PSC.

SPM's level of influence over this measure is high. SPM has significant influence over its prices for short-term vehicle usage; however, SPM has no influence over the PSC's private vehicle usage rate paid to employees.

What are we measuring?

CVA pool price compared to market

Where are we starting from?

The average CVA pool price ($0.2804/km) is 22% below the average market price ($0.3609/km)
[October 2005]

SPM acquires vehicles and rents them to government departments and other public agencies. By acquiring vehicles in large quantities and operating a central fleet of vehicles, SPM can pass through savings to clients. A pool of vehicles located throughout the province is available for short-term use. CVA charges a per-kilometre price to cover all fixed and operating costs of the vehicle. Another alternative for clients is to rent vehicles in the marketplace from private sector vehicle rental companies.

SPM has significant influence over its own prices; however, it has no influence over market prices. The comparison is between CVA and an average of three rental company rates for a variety of one to three-day trips for a mid-sized vehicle.

***OBJECTIVE 2** – Enhanced client service delivery*

SPM provides centralized accommodation and support services to Government and public agencies. As such, SPM needs to ensure that it provides a service delivery system to meet the needs of clients, including providing the right services, in the most cost-effective manner possible.

SPM views technology as an essential support tool and is evaluating how to best use technology to provide value-added services. In today's environment, information flows faster than ever before and SPM must position itself to respond and react faster.

Key Actions for 2006-07

- Continue with system and capacity enhancements for the government records centre, to ensure government agencies are able to manage their records effectively in a secure low-cost environment.
- Upgrade postal metering and associated equipment in SPM mailrooms and at client sites around the province to ensure compliance with new Canada Post standards to be put in place in December 2006. New standards include application of bar codes on outgoing mail that will allow for higher efficiency in sorting mail by Canada Post.

What are we measuring?

Proportion of clients responding that they are satisfied with service received for government support services, accommodation services, transportation services, and purchasing services

Where are we starting from?

Government support services: 72.4%
Accommodation services: 65.8%
Transportation services: 83.8%
Purchasing services: 72.8%

Overall rating: 72.7%
[March 2006]

SPM was established to provide centralized accommodation and support services to government and public agencies. SPM provides a wide variety of services and it is important that these services meet the needs of clients, provide value, and are delivered satisfactorily. A client survey is typically conducted to gauge satisfaction.

A questionnaire was distributed to 83 clients in February 2006, with 62 replies or 74.7 per cent response rate. Clients were asked a number of questions about each of the Department's programs to rate their satisfaction with SPM's service, value for money and needs met on a five point scale. The performance measure indicates the proportion of survey respondents that were either satisfied or very satisfied with SPM services. The survey will be conducted on a bi-annual basis with the next one planned for March 2008.

SPM has a high level of influence on this measure since the Department determines the nature, level, price and means of service it will provide in response to client needs.

GOAL 2

Sustainable property infrastructure

***OBJECTIVE 1** – Appropriate facilities and equipment for clients*

SPM is responsible for providing most of the facilities and vehicles required by government departments to deliver their various programs. This includes providing appropriate facilities and equipment for clients. The facilities also need to be adequately maintained in order for departments to continue to meet their long-term program requirements and the vehicles need to be kept in good working order to meet the needs of clients. As well, SPM looks at options for disposing of these assets when they are no longer required.

The performance measures cover the two most significant service areas provided by SPM to clients: accommodation and vehicles.

Key Actions for 2006-07

- Identify long-term program and space requirement needs in consultation with clients. Focus will be on working with: Justice for court facilities in Lloydminster, Regina, and circuit points; SIAST long-term requirements for all campuses; Corrections and Public Safety for corrections facilities in Saskatoon and Prince Albert and for young offender facilities across the province.
- Implement a strategy to continue to meet the government's air transportation requirements.
- Transform public sector communications platform utilizing CommunityNet and VoIP to achieve savings and to enhance public access to government services.
- Refine the list of core government facilities based on client needs in order to allocate limited capital and maintenance funding to priority facilities.
- Canvas clients to review vehicle requirements and identify the number and type of vehicles required to meet client needs.

What are we measuring?	**Where are we starting from?**
Proportion of facilities meeting long-term client program needs	63.6% *[March 2006]*

SPM is responsible for providing most of the facilities required by government departments to deliver their various programs. These facilities need to be adequately maintained in order for departments to continue to meet their long-term program requirements. As the accommodation service provider, SPM's performance in meeting client needs, service, and value expectations should be assessed. A survey was sent to 83 clients with 62 replies for a response rate of 74.7 per cent. Clients were asked to rate their satisfaction with their facilities in meeting their

long-term program needs. The performance measure indicates the percentage of respondents that indicated that they agreed or agreed strongly with the statement "SPM is able to meet our long-term program space needs." The survey will be conducted on a bi-annual basis with the next one planned for March 2008.

SPM has significant influence over this measure. SPM works with clients to agree on how their long-term program needs can be met. If an agreement cannot be reached, then a client may be dissatisfied with SPM's ability to meet their needs.

What are we measuring?	**Where are we starting from?**
Average annual distance traveled per government vehicle	22,840 km per vehicle *[April 2005]*

SPM provides a central fleet of vehicles for government departments to help them meet their program requirements. Each year, CVA reviews vehicle requirements with departments and other public agencies and acquires vehicles in response to departments' needs. SPM also disposes of surplus vehicles. The average annual number of kilometres traveled per vehicle is an indication of the extent to which these vehicles are needed and used by departments. A low number of kilometres traveled per vehicle might suggest that Government vehicles are under-utilized, while a high number of kilometres traveled per vehicle might suggest that more vehicles are required.

SPM's influence over this measure is indirect. As a service provider, CVA is responsible for providing the various types of vehicles required by departments and other public agencies; however, the clients are responsible for the use of the vehicles. SPM's influence is through its price structure that provides a financial disincentive to under-utilization.

What are we measuring?	**Where are we starting from?**
Vacancy rate for office space in Regina and Saskatoon	1.6% *[March 31, 2005]*

SPM is responsible for providing the office space required for government departments. This space is provided through a combination of government owned and leased buildings. While it is prudent to have some unused capacity to allow for periodic movement and changes of people and programs, SPM believes it is important to have a relatively low vacancy rate for office space since there is an ongoing cost for unused space.

SPM has significant influence over this performance measure. However, SPM has little influence over whether or not a government program continues to require space in any location.

This measure is designed to demonstrate the effectiveness of SPM in managing the space portfolio of government, in the context of changing requirements for the government agencies that SPM supports. Regina and Saskatoon are used for comparative purposes in establishing vacancy measurements because they collectively represent 68 per cent of SPM's total available office space.

***OBJECTIVE 2** – Affordable and sustainable infrastructure*

A key challenge is to maintain the 545 buildings owned and managed by the Department in a state that ensures future viability. Limited capital spending over a long period has resulted in a backlog of maintenance and major capital upgrading of buildings. Accordingly, the Department is challenged to plan effectively for the future state of the infrastructure and to find better ways to achieve sustainable asset management.

SPM's strategy is to concentrate expenditures on targeted core facilities that are occupied by high priority programs and which will be viable for the long-term based on facility condition, function and use. Funding for the remaining facilities will be allocated based on occupant safety and high priority regulatory codes.

The performance measures cover the two most significant service areas provided by SPM to clients: accommodation and vehicles.

Key Actions for 2006-07

- Implement major capital construction projects for the following facilities:
  - ~ Regina Correctional Centre – begin construction
  - ~ Health Provincial Laboratory – begin construction
- Update the capital plan for core facilities based on SPM's priority rating system. Capital and major maintenance projects planned for 2006-07 include work in the following buildings:
  - ~ La Ronge – Mistasinihk Place
  - ~ Moose Jaw – Court House
  - ~ Moose Jaw – SIAST Palliser Campus
  - ~ Moose Jaw – W.G. Davies Building
  - ~ North Battleford – Kramer Place
  - ~ North Battleford – Mental Health Facility
  - ~ Prince Albert – Correctional Centre
  - ~ Prince Albert – L.F. McIntosh Building
  - ~ Prince Albert – Pine Grove Correctional Centre
  - ~ Prince Albert – SIAST Woodlands Campus

- ~ Regina – Century Plaza
- ~ Regina – Cooper Place
- ~ Regina – Dunning Place
- ~ Regina – Lloyd Place
- ~ Regina – SIAST Wascana Campus
- ~ Regina – Walter Scott Building
- ~ Saskatoon – SRC Pilot Plant
- ~ Saskatoon – Sturdy Stone Centre
- ~ Swift Current – E.I. Wood Building
- ~ Yorkton – Kuziak Building

- Upgrade accessibility in eight government buildings at an estimated cost of $1.2 million.
- Implement life-cycle costs for new and re-lifed facilities: Regina – Lloyd Place and Century Plaza; Meadow Lake – Equipment Storage Building; Carlyle – Equipment Storage Building; and, Yorkton – Weigh Scale.

What are we measuring?	**Where are we starting from?**
Average condition of government buildings (Facility Condition Index)	30% *[September 2005]*

To keep buildings in a good state of repair to meet government program requirements, and to protect people and the investment in government assets, SPM continually measures the condition of the inventory of buildings for which it is responsible. The industry measurement for facility condition is the Facility Condition Index (FCI), which represents the proportion of deferred maintenance compared to the value of the facility. The lower the FCI, the better the condition of a facility; the higher it is, the greater chance the facility is showing signs of deterioration. A lower FCI is also a general indication of a lower deferred maintenance backlog.

SPM has significant influence over this measure. SPM sets priorities for expenditure of capital and maintenance funding, however government determines the total amount of capital and maintenance funding available for government buildings.

What are we measuring?	Where are we starting from?
Average age of vehicles	5.1 years *[October 2005]*

SPM provides a central fleet of vehicles for government departments and other public agencies to meet their program requirements. Each year, SPM acquires additional vehicles in response to client needs and also disposes of surplus vehicles. The average age of vehicles is an indication of the overall condition and sustainability of the Government's fleet of vehicles and the need for replacement.

SPM has a moderate level of influence over this measure. Government determines the amount of funding SPM has available to acquire vehicles. Each year, SPM surveys clients to ascertain their upcoming vehicle requirements, including the number and type of vehicles. SPM also sets guidelines for replacement of vehicles; however, the decision whether to retain or replace a particular vehicle once it exceeds the replacement guideline rests with departments and other public agency clients. SPM's pricing structure provides a financial incentive to clients that retain vehicles to the end of their economic life.

What are we measuring?	Where are we starting from?
Average mileage on vehicles	111,513 km *[October 2005]*

SPM provides a central fleet of vehicles for government departments and other public agencies to meet their program requirements. Each year, it acquires additional vehicles in response to clients' needs and disposes of surplus vehicles. The average mileage of vehicles is an indication of the overall condition and sustainability of the Government's fleet of vehicles and the need for replacement.

SPM has a moderate level of influence over this measure. Government determines the amount of funding SPM has available to acquire vehicles. Each year, SPM surveys clients to ascertain their upcoming vehicle requirements, including the number and type of vehicles. SPM also sets guidelines for replacement of vehicles; however, the decision whether to retain or replace a particular vehicle once it exceeds the replacement guideline rests with departments and other public agency clients.

In recent years, vehicle manufacturers have improved vehicle durability significantly, resulting in longer vehicle economic life. SPM's pricing structure provides a financial incentive to clients that retain vehicles to the end of their economic life.

***OBJECTIVE 3** – Reduce the environmental impact of government operations*

SPM will provide leadership in wise use of non-renewable energy, and promote initiatives that will reduce or minimize the impact of the operations of government on the environment. SPM will continue to improve its building facilities to lower their energy consumption and to reduce environmental impact by diverting waste from landfills.

What are we measuring?	Where are we starting from?
Energy conservation in key public buildings	20% reduction in annual energy consumption following upgrading and implementation of energy conservation initiatives *[October 2005]*

SPM manages its portfolio of public buildings to ensure that they are energy efficient while providing a safe, healthy environment for government to conduct its business.

SPM has a high level of influence over this measure. SPM sets priorities for capital upgrading and renovation expenses, and determines what work must be done to maintain its facilities. By exceeding new international standards for energy consumption and environmental design, SPM can significantly reduce the energy consumption of its facilities, and reduce the environmental impact of their operations through the entire building life-cycle.

Key Actions for 2006-07

- Upgrade two government facilities at a cost of $1.7 million to achieve an overall decrease in energy consumption of 16 per cent for these facilities.
- Continue to assess the availability, cost and viability of hybrid and alternative fuel vehicles, for applicability to government vehicle applications.
- Plan and design the new portions of the Regina Correctional Centre, the Provincial Laboratory and Century Plaza in Regina to meet the international Leadership in Energy and Environmental Design standard.
- Purchase 18.9 million kWhs of green energy (wind generated electricity) which represents approximately 23 per cent of the electricity requirements of government at a cost of $400,000.

GOAL 3

Partnerships that benefit government and communities

***OBJECTIVE 1** – Facilitate economic development*

As Government's procurement agent, SPM is responsible for obtaining goods and information technology services on behalf of government departments using a fair, open and competitive process. Procurement through SPM's Purchasing Branch can be an effective tool in furthering provincial economic activity by developing policies and processes to make it easier and less expensive to do business with Government, and by educating local suppliers about Government's procurement processes. SPM is interested in optimizing the economic benefits from government procurement activity by obtaining the best value and by seeing local suppliers provide a high proportion of the value of goods and services used by the provincial government.

Measuring the proportion of goods and IT services sourced from Saskatchewan suppliers reflects a significant aspect of the Department's involvement in support of economic development activity; however, our involvement in major project initiatives and their resulting impact on economic activity and jobs is not captured by the current measure.

Key Actions for 2006-07

- Following consultations in 2005-06, make policy recommendations regarding procurement from Saskatchewan Aboriginal-owned businesses.

What are we measuring?	**Where are we starting from?**
Goods and information technology services sourced in Saskatchewan through SPM's Purchasing Branch	77.3%[1] *[Three-year average ending March 31, 2005]*

[1] *Excludes the contract for the purchase of four tanker aircraft for the Department of Environment, as this was a one-time large purchase of goods not available in Saskatchewan. Inclusion of this purchase would reduce the proportion of goods and IT services sourced in Saskatchewan to 70% for the three years leading up to March 31, 2005.*

SPM is the Government's procurement agent and is responsible for obtaining goods and information technology services on behalf of government departments using a fair, open and competitive process. Procurement can be an effective tool in furthering provincial economic activity.

SPM has limited influence over this measure. SPM establishes the procurement process to obtain best value for Government and it can also encourage client departments to support Saskatchewan suppliers. SPM can assist suppliers by educating them about government procurement processes and by making it easier and less expensive for suppliers to obtain information about procurement opportunities. SPM has no influence over the competitiveness of Saskatchewan suppliers, and many competitions are conducted under the terms of the Agreement on Internal Trade.

***OBJECTIVE 2** – Constructive relationships with industry*

SPM works closely with the construction industry to build government facilities, and with the supplier community to provide the goods and services needed by Government. A good working relationship where we know and understand these groups makes it easier for SPM to do its job to obtain the best value for its clients.

In addition to working with clients to ensure that the goods and services required are obtained at the best value and in a timely manner, it is also important that the supplier community have confidence in the procurement process and that suppliers have open access to government tender opportunities.

The performance measure addresses the relationship with the suppliers; however, it does not cover the relationship with the construction and real estate industries. Further research on additional performance measures to address this gap is planned.

Key Actions for 2006-07

- Review business processes for government acquisition of services and make recommendations to bring about a more consistent approach for service contracting by all government departments.
- Investigate, research, and develop options for government to receive and evaluate bid submissions electronically.
- Host the third Purchasers' Showcase in early 2007 that brings together buyers and Saskatchewan suppliers interested in selling goods and services to the public sector.

What are we measuring?	**Where are we starting from?**
Level of industry satisfaction when dealing with SPM's Purchasing Branch	92.6% *[December 2004]*

As the agency responsible for government procurement SPM conducts open, fair, and competitive processes to obtain goods and IT services on behalf of government departments. SPM has a responsibility to ensure that suppliers have confidence in the procurement process. A supplier survey is used to measure supplier satisfaction with SPM's procurement process conducted on behalf of government. A survey was distributed to 3,281 suppliers with 487 replies, or 14.8 per cent response rate. Suppliers were asked to use a four point rating scale (very satisfied, satisfied, dissatisfied and very dissatisfied) to rate their dealings with SPM Purchasing Branch for 13 questions. The performance measure indicates the percentage either satisfied or very satisfied when dealing with SPM Purchasing Branch. The survey will be conducted on a bi-annual basis with the next one planned for late 2006.

For More Information

Additional information is available from the following sources:

For general information about Saskatchewan Property Management, SPM's website is:
http://www.spm.gov.sk.ca/

For feedback on this performance plan or for information on SPM's programs and services:

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